

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**FCIC Program Integrity
4-RM**

Amendment 2

Approved by: Acting Deputy Administrator, Farm Programs, FSA;
Assistant Deputy Administrator for Compliance, RMA



Amendment Transmittal

A

**Reasons for
Amendment**

Paragraphs 5 through 8 have been added to include procedure on:

- C FSA authority to access farms and records
- C handling freedom of information cases
- C conflicts of interest
- C FSA employees being requested as witnesses.

Subparagraph 21 A has been amended to include a County Office responsibility of notifying producers listed on the RCO spot check list.

Subparagraph 21 C has been amended to clarify State Office POC responsibilities when the County Office POC is unavailable.

Subparagraph 23 B has been amended to add County Office action when verifying the insurance status of a producer when that producer is deceased or no longer farming.

Subparagraph 41 A has been amended to clarify actions relating to the RCO spot check list.

Subparagraph 70 C has been amended to provide County Office procedure when a producer listed on the RCO spot check list is being administered out of another County Office.

Subparagraphs 71 A and B have been amended to include procedure when a spot check must be performed but the producer has not filed FSA-578.

Continued on the next page

Amendment Transmittal (Continued)

A

Reasons for Amendment (Continued)

Subparagraph 71 C has been amended to identify the acceptable types of cameras used for taking representative photographs.

Subparagraph 73 A has been amended include actions necessary when insurance provider referrals are received by the State POC.

Subparagraph 75 B has been added to inform the State POC that insurance providers also may request assistance from the County Office for fact-finding in suspected cases of fraud, waste, and abuse.

Subparagraphs 121 D and E have been amended to ensure that the privacy of the information provided by RMA is maintained during the STC consultation process. This information is for internal use only and shall not be shared with the public.

Exhibit 4 has been added to provide the letter format for informing producers they have been selected on the RCO spot check list.

Exhibit 5 has been amended to include the RCO titles.

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**FSA
RMA
HANDBOOK**

FCIC Program Integrity

**For State and County FSA Offices, RMA
Regional Compliance Offices, and Regional Offices**

SHORT REFERENCE

4-RM

**UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
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Part 1 Basic Provisions

1 Overview

A

Background

The Agricultural Risk Protection Act 2000 (2000 Act) requires FSA and RMA to:

- ⌄ work together to improve program compliance and integrity of the Federal Crop Insurance Program
 - ⌄ develop a coordinated plan for implementation.
-

B

Oversight and Coordination

The following offices are conducting oversight and coordination of this effort in consultation with OIG and crop insurance companies:

- ⌄ FSA, PECD
 - ⌄ RMA RCO's
 - ⌄ RMA RO's
 - ⌄ RMA, Deputy Administrator for Research and Development.
-

C

Handbook Purpose

This handbook provides FSA and RMA offices procedure based on the joint work plans developed as a result of the 2000 Act. The areas covered by this handbook include the following:

- ⌄ referrals and investigations
 - ⌄ claims audit
 - ⌄ consultation with STC's
 - ⌄ data reconciliation.
-

2 Sources of Authority and Related Handbooks

A

Statutory Authority

The statutory authority for FSA and RMA to improve program integrity is Subtitle B, Section 121 of the 2000 Act.

B

STC Authority to Supplement This Handbook

Because this handbook is a joint effort between FSA and RMA, STC's do **not** have the authority to modify this handbook. Any recommendations for amendment must be submitted to the National Office for concurrence by both FSA and RMA.

C

Related Handbooks

FSA and RMA handbooks related to program compliance include the following:

- ℄ 9-AO for handling audits and investigations
 - ℄ 1-CM for name, address, and producer ID number verification
 - ℄ 3-CM for farm records management
 - ℄ 2-CP for verifying acreage and completing field visits
 - ℄ FCIC Loss Adjustment Manual and specific crop insurance Loss Adjustment Standard manuals
 - ℄ 5-LP for bin measurements
 - ℄ 1-PL for reviewing farm operating plans
 - ℄*--22-PM for determining and handling conflict of interest.--*
-

3 Publication Requirements

A

Overview

With the passage of the 2000 Act, FSA and RMA are:

- Ⓒ required to coordinate a plan to identify, address, and reconcile discrepancies of all relevant producer-derived information
- Ⓒ directed to coordinate a monitoring program, which includes fact finding relative to allegations of program fraud, waste, and abuse.

As a key preventative measure, it is important that the agricultural community be made fully aware of FSA's and RMA's joint efforts to reduce fraud, waste, and abuse.

B

When to Provide Information

At a minimum, County Offices shall notify all producers twice a year of the monitoring efforts by FSA and RMA to prevent fraud, waste, and abuse in the Federal Crop Insurance Program.

This notification shall be publicized at the beginning of the calendar year and again during the crop growing season.

Note: It may be appropriate to publicize this information more than twice, depending on the planting and harvest seasons for different crops in a county.

C

What Information to Provide

County Offices shall notify producers that:

- Ⓒ FSA will be assisting RMA and insurance providers in monitoring crop conditions throughout the growing season
 - Ⓒ FSA will refer all suspected cases of fraud, waste, and abuse about the Federal Crop Insurance Program to RMA
 - Ⓒ producers may report suspected cases of fraud, waste, and abuse to their local County Office, RMA office, or OIG
 - Ⓒ FSA will assist RMA with auditing claims.
-

Continued on the next page

3 Publication Requirements (Continued)

D

Methods of Notification

County Offices shall notify all producers of the efforts to reduce fraud, waste, and abuse of the Federal Crop Insurance Program by any means of communications, including, but not limited to, the following:

- Ⓒ news releases
 - Ⓒ newsletters
 - Ⓒ radio and television spots
 - Ⓒ fact sheets.
-

4 Points of Contact

A

Designating FSA POC

Each SED shall establish a POC and alternate who shall:

- Ⓒ serve as the primary contact for all functions associated with implementing the 2000 Act within their State
 - Ⓒ be responsible for maintaining the lines of communication between RMA and FSA at the Regional and State levels
 - Ⓒ be responsible for POC responsibilities in this handbook.
-

B

Designating RMA POC

Each RCO shall establish a POC and alternate who shall:

- Ⓒ serve as the primary contact for all functions associated with implementing the 2000 Act within its region
 - Ⓒ be responsible for maintaining the lines of communication between RMA, FSA, and the insurance provider at the Regional and State levels
 - Ⓒ perform the duties required under these procedures.
-

***--5 FSA Access to Insured Records**

A

FSA Authority to Access Farms and Records

7 CFR Part 457 grants FSA the authority, by RMA, at any time during the record retention period to have access to:

 C any records relating to insurance at any location where these records may be found or maintained

 C the farm.

6 Freedom of Information

A

Requests Submitted Under FOIA

The name, policy number, and identification number on the RCO spot check list will be withheld under FOIA according to 5 U.S.C., Section 522 (b)(6), "Personal Privacy", unless the requestor is a producer on the list.

Note: If the requestor is a producer on the list, the only information that can be released is that information specifically about the requestor. No other names can be released.

Any information obtained and gathered through the fact-finding process and documented on AD-2007 will be protected according to 5 U.S.C. 552 and 552a, "Freedom of Information Act" and "The Privacy Act of 1974".

Requests for information or copies regarding oversight and compliance shall be made in writing by the requestor and processed by FSA State and County Office employees responsible for processing FOIA and Privacy Act requests.

Any questions and requests for guidance can be addressed to the FSA FOIA and Privacy Act Specialist at 202-720-5534.--*

***--7 Conflict of Interest**

**A
Procedure for
Conflicts of
Interest**

State and County Offices shall follow 22-PM, paragraphs 402, 407, and 408 for determining and handling conflict-of-interest situations.

Note: For those cases involving spouses or family members that are either employed by the insurance company or employed by or under contract as agents or LA's, County Office employees shall not be involved in the referral or spot-check process for that relative's book of business. The State POC shall be responsible for:

- C providing guidance
 - C coordinating work related to these situations.
-

8 FSA Employees Requested as Witnesses

**A
Overview**

Because of FSA's responsibility in identifying, investigating, observing, and fact finding cases of fraud, waste, and abuse, there may be instances where FSA employees are requested or subpoenaed to be witnesses for RMA or the insurance company.

Example: RMA RCO notified the Darlington County Office through the State POC that a complaint was filed that Stuart Clayton was planting his cotton crop 35 calendar days after the final planting date. A Darlington County FSA field representative went out and verified that Mr. Clayton was currently in the process of planting his cotton. Because Mr. Clayton completed planting his crop before the insurance company representative visited the farm, the only eyewitness to Mr. Clayton planting his cotton crop after the final planting date is the Darlington County field representative. If in the process of denying Mr. Clayton's claim for loss he files suit against the insurance company, the Darlington County field representative may be called as an eyewitness in support of the insurance company denying the claim.--*

Continued on the next page

***--8 FSA Employees Requested as Witnesses (Continued)**

B

**County Office
Action**

If an FSA county representative is subpoenaed or requested to testify for RMA or the insurance company, the County Office shall immediately notify their State Office of the request. The County Office shall provide a copy of the subpoena and any pertinent information to the State Office for their review.

C

**State Office
Action**

If a County Office employee is called as a witness to a court proceeding, the State Office shall immediately notify ALG for guidance. ALG will work with OGC in determining the validity of the request.--*

9-19 (Reserved)

Part 2 Referrals and Investigations

20 Overview

A

Background

County Offices have the authority and responsibility to keep an active watch for potential fraud, waste, and abuse of the Federal Crop Insurance Program. RMA also has the authority to request assistance from FSA in monitoring the Federal Crop Insurance Program. County Offices shall document observations and gather the documentation necessary to validate concerns according to this part.

21 Responsibilities

A

County Office Responsibilities

County Offices shall:

- C accept any form of complaint from any complainant as accurately as possible
 - C keep an active watch for potential fraud, waste, and abuse of the Federal Crop Insurance Program
 - C document observations and gather the evidence necessary to validate concerns
 - C honor any request by complainant with regard to confidentiality
 - C follow timeframes as outlined in this handbook
 - C follow publicity requirements as outlined in this handbook
 - C*--notify producers selected for spot check according to paragraph 41 using the example letter in Exhibit 4--*
 - C take specified actions on a case-by-case basis under the direction of the State Office POC
 - C provide the State Office POC with a year-end summary report of all reviews conducted for the crop year by January 31 of the subsequent year
- Note:** This will include reviews that result in no questionable findings.
- C timely provide requested information to insurance providers, agents, and LA's following procedure in 2-CP, paragraph 508

***--Notes:** Information about AD-2007 referrals and investigations shall not be released to sales agents.--*

Continued on the next page

21 Responsibilities (Continued)

**A
County Office
Responsibilities
(Continued)**

*--When AD-2007 is requested, the County Office must redact the name of the complainant and any information that could identify the complainant.

- C immediately notify the State POC of any request for fact finding received directly from the insurance provider according to subparagraph 75 C.--*
-

**B
SED
Responsibilities**

SED is responsible for approving either of the following:

- C further inquiry by FSA
 - C the referral of the case to OIG when RCO fails to timely respond to or declines to proceed with an investigation according to paragraph 73.
-

**C
State Office POC
Responsibilities**

The State Office POC or alternate shall:

- C serve as the liaison between the County Office and RCO
- C forward all RCO spot check lists and referrals received from RCO to the applicable County Office
- C forward all County Office responses to referrals initiated by RCO back to RCO within the specified timeframe

Note: A list of addresses with States served for each RCO is in Exhibit 5.

- C be responsible for ensuring that referrals from the County Office are complete and that all necessary documentation is provided
- C notify the County Office of County Office-initiated referrals that POC determines are unwarranted and will not be forwarded to RCO
- C make initial determination for FSA to conduct its own investigation or refer the case to OIG, subject to SED approval, when RCO fails to timely respond to or declines to proceed with an investigation, according to subparagraph 73 B

C*--for situations requiring immediate attention, the State Office POC shall coordinate with DD if the County Office POC is unavailable.--*

Continued on the next page

21 Responsibilities (Continued)

D DD Responsibilities

DD's shall:

- Ⓒ monitor the referral process within their respective district
 - Ⓒ assist State and County Offices with the referral process as requested.
-

E RCO Responsibilities

RCO shall:

- Ⓒ coordinate all referral activities and request for inquiries through the State Office POC

Ⓒ*--develop and provide, to:

- Ⓒ FSA POC, spot check lists for annual reviews that identify high-risk policy holders on a county basis
- Ⓒ insurance providers, the spot check list

Note: Ensure that the list only includes those insureds for which the insurance provider has a policy.--*

- Ⓒ submit referrals involving individual complaints of fraud, waste, or abuse to the County Office through the State Office POC
 - Ⓒ review all referrals received from FSA POC and determine whether further investigation is warranted
 - Ⓒ evaluate the appropriateness of actions taken by the insurance provider relative to the referred case
 - Ⓒ respond to the State Office POC within the specified timeframe for each case referred by POC
 - Ⓒ upon conclusion of the review process, provide a written summary of the review results to the State Office POC.
-

Section 1 FSA Referrals to RMA

22 Types of Referrals to RMA

A

Types of Referrals

The following are 2 types of referrals of suspected crop insurance fraud, waste, or abuse that may originate from a County Office:

- C a complaint received in the County Office by telephone, letter, in-person, etc., from an individual

Example: Producer Jones contacts the County Office to report that Producer Smith is not caring for the crop in a workmanlike manner.

- C observations made by County Office employees or COC members.

Examples: While performing routine FSA compliance activities, it was noted that Producer Smith was using farming practices that were not considered normal or customary for the area.

While verifying production/income for loan making/loan servicing or LDP purposes, a significant discrepancy in data is noted between information provided from crop insurance records and information provided to FSA from the producer.

--A field representative, while completing field work, observes a producer initially planting an insured crop after the final planting date.--

23 Accepting Complaints or Documenting FSA Observations

A

Accepting Initial Data

Once a County Office is aware of a suspected fraud, waste, or abuse case, AD-2007, Parts A and B must be completed as follows.

Part	Instructions
A	<p>C If the source of the complaint is from an individual, enter the individual's name and address. If the individual is unknown, enter "Unknown" in item 2A. If the individual is known, but wishes to remain anonymous, enter "Confidential Informant" in item 2A.</p> <p>C If the source of the complaint originates from an FSA employee or COC member, enter the County Office name and address.</p>
B	County Offices shall follow the instructions in Exhibit 6.

Once Parts A and B have been completed, the County Office shall refer to subparagraph B.

B

Verifying Crop Insurance

County Offices shall verify the insurance status of the producer's crop by contacting the applicable RCO.

IF the producer * * * is...	THEN the County Office shall...
not insured	<p>take no further action.</p> <p>Note: If the information has an impact on FSA programs, thoroughly document findings and follow procedure in the applicable FSA program handbook.</p>
insured	follow Section 3.
--found not to be a producer because the subject of the complaint is deceased or no longer farming	<p>take no further action.</p> <p>Note: Document findings on AD-2007, Part C, item 14.--</p>

24-39 (Reserved)

Section 2 RMA Referrals to FSA

40 Overview

A

Background

RMA has the authority to request assistance from FSA in monitoring producers suspected of fraud, waste, or abuse. The following are the 2 basic types of FSA assistance requested by RCO:

- C spot checks of producers identified through RMA data mining or RCO criteria according to paragraph 41
 - C when additional information is needed to establish the credibility of a complaint or when immediate presence is needed to document evidence before it is destroyed according to paragraph 42.
-

41 RMA-Requested Spot Checks and RMA-Initiated Complaint Referrals

A

RCO Spot Check List

--RCO shall annually provide, by April 1, to the State Office POC and insurance providers a list of producers:--

- C exhibiting high loss ratios, high frequency, and severity of losses
- C suspected of poor farming practices.

The triggering factors may vary in each RCO based on types of crops and loss experience. The list will be broken down by State and county and will include the *--producer's name, policy number, identification number, and crops.

Upon receipt of the spot check list from the State POC, County Offices shall notify all producers on the list using the letter in Exhibit 4.--*

County Offices shall conduct reviews according to subparagraph 70 C.

Continued on the next page

41 RMA-Requested Spot Checks and RMA-Initiated Complaint Referrals (Continued)

B

**Complaints
Referred by
RMA**

RMA may request FSA assistance when RCO has received a complaint that requires a field visit.

Upon receipt of the request for assistance, County Offices shall conduct the requested fact finding and relay their observations to the State Office POC. Urgent requests need to be responded to without delay. For all other requests, the County Office shall report the information within 14 calendar days.

When immediate action is required, RCO shall telephone the State Office POC. If the State Office POC or alternate is not available, contact may be made directly to the County Office.

In other cases, the request for assistance will be made in writing to the County Office through the State Office POC.

County Offices shall conduct reviews according to paragraph 70.

42-69 (Reserved)

Section 3 Fact Finding and Documentation

70 Review Requirements

A

Overview

County Offices may perform spot checks for RCO as a result of:

- C individual complaints received by the County Office, State Office, or RCO
 - C observations noted by FSA employees or COC members
 - C producers selected from the list provided by RCO.
-

B

County Office Action for Individual Complaint or County Office Observation

For reviews resulting from complaints received by the State Office POC or County Office, or reviews resulting from FSA employee or COC member observations, County Office reviews shall be limited to the specific farm or field in the complaint or observation. AD-2007 shall be completed according to instructions in Exhibit 6.

Note: County Offices must ensure that a sequential FSA reference number has been assigned and entered on AD-2007 according to Exhibit 6 for all reviews conducted for RCO.

C

County Office Action on RCO Spot Check List

For those reviews identified on the RCO spot check list, County Offices shall conduct referrals according to the larger of the first 10 insureds or the top 5 percent of the insureds on the list.

Note: If less than 10 insureds are identified on the list, County Offices shall check all insureds.

Of those required reviews, County Offices shall conduct a review on a minimum of *--1 representative tract, which shall include all fields for all identified crops on the RCO spot check list.

Note: For those producers on the RCO spot check list whose land is physically located in the county receiving the list, but the land is administered by an adjoining County Office, contact the State POC. The producer will be transferred to the administering county RCO spot check list. The administering County Office will be responsible for completing the spot check.--*

Continued on the next page

70 Review Requirements (Continued)

C

County Office Action on RCO Spot Check List (Continued)

During routine FSA compliance activity, County Offices shall document findings for those insureds identified on the RCO spot check list. These reviews will be *--specific to only those producers selected for review for FSA purposes and--* not the process listed under the required RCO reviews.

Examples: Bob Smith's farm will be visited as a result of a commodity loan inspection. Because Bob's name is on the RCO spot check list, the field and/or crop condition shall be documented on AD-2007. The County Office may expand the review to include additional fields and tracts if time permits.

Acreage determinations resulting from the Automated Farm Inspection Selection Register for FSA compliance shall also be used for acreage determinations for producers shown on the RCO spot check list. Producers whose crop acreage exceeds tolerance according to 4-CP, paragraph 22 shall be:

- C reported as a finding on AD-2007
- C forwarded to RCO POC through the State Office POC.

Although County Offices must meet the minimum number of required reviews and those reviews identified in conjunction with normal compliance activity, County Offices may expand reviews to additional tracts or fields as time or resources permit.

71 Fact Finding and Documentation

A

Fact Finding for Individual Complaints or County Office Observations

For those individual complaints received by County Offices or observations indicating possible fraud, waste, or abuse, fact finding shall be conducted relative to the applicable crop, acreage, and allegation. Fact finding may include, but is not limited to, the following:

- C reviewing FSA-578 and map, if applicable
- C field visit to conduct growing season inspections, take photographs, observe similar farms, etc.

***--Notes:** If FSA-578 has not been filed, the County Office shall ask the producer to identify the location of planted crops being reviewed.

FSA field representatives completing growing season inspections shall notate on the photocopy where the crop is located.--*

71 Fact Finding and Documentation (Continued)

A

Fact Finding for Individual Complaints or County Office Observations (Continued)

- ℄ verifying production, if applicable, at local elevators, gins, etc.
 - ℄ reviewing other FSA records, if available, such as LDP records, results of spot checks, disaster program applications, and FLP records
 - ℄ observing company LA's performing appraisals only on a limited basis when requested by RCO.
-

B

Fact Finding for RCO Spot Check List

The County Office shall perform a minimum of 2 documented field inspections, 1 within 30 calendar days of the final planting date and 1 before harvest becomes general in the area.

The inspections shall include the following:

- ℄ the kind of tillage methods the insured has carried out
- ℄ the kind of weed control practices that are being carried out
- ℄ if a current soil test has been taken on any of the insured acreage
- ℄ how the inspected crop compares with those in the general area
- ℄ the type of fertilizer program being followed
- ℄ brief explanation of the weather in the past 4 to 6 weeks, the current conditions, and the expected weather conditions
- ℄ brief description of any pertinent remarks
- ℄ photographs of the fields inspected.

***--Notes:** If FSA-578 has not been filed, the County Office shall ask the producer to identify the location of planted crops being reviewed.

FSA field representatives completing growing season inspections shall notate on the photocopy where the crop is located.--*

Continued on the next page

71 Fact Finding and Documentation (Continued)

C

Documentation

The County Office shall compile supporting documentation that may include, but is not limited to, the following:

- Ⓒ photocopy of FSA-578 and map, if acreage report has been filed
- Ⓒ field notes
- Ⓒ representative photographs

***--Notes:** Use a digital camera if available. If a digital camera is unavailable, use a 35mm camera and develop 2 sets of color prints. Maintain 1 set of prints and negatives in the County Office file.

Do **not** use Polaroid cameras.--*

- Ⓒ other available FSA records applicable to the inquiry
 - Ⓒ other documents and items as requested by RCO through the State Office POC.
-

D

**Submitting
AD-2007**

County Offices shall:

- Ⓒ for those reviews initiated at the County Office level, submit AD-2007 and all other supporting documentation to RCO through the State Office POC within 14 calendar days from the date the County Office becomes aware of the suspected fraud, waste, or abuse
 - Ⓒ for reviews resulting from the RCO spot check list, submit AD-2007 and supporting documentation according to subparagraph B within 5 calendar days after the initial discovery of potential fraud, waste, or abuse. If no fraud, waste, or abuse is discovered, submit AD-2007 and supporting documentation within 5 calendar days after the final inspection.
-

72 County Office Action

A

**County Office
Action for
Individual
Complaints or
County Office
Observations**

Certain actions are required when County Offices are made aware of potential fraud, waste, or abuse as it applies to the Federal Crop Insurance Program. This table briefly summarizes steps for the County Office to follow when dealing with possible fraud, waste, or abuse cases.

--All cases involving late planting of an insured crop either through a complaint or observation shall be forwarded to RCO on AD-2007 regardless of whether a late planting period is offered.--

Step	Action	
1	Document initial discovery of suspected fraud, waste, or abuse according to subparagraph 23 A.	
2	Verify producer's insurance status for the crop or crops in question according to subparagraph 23 B.	
3	IF the crop is...	THEN...
	not insured	no further action is required for RMA purposes. However, if the complaint could affect FSA programs, the complaint needs to be pursued for FSA purposes only.
	insured	conduct fact finding according to subparagraph 71 A.
4	Important: Do not discuss referral of the case for possible fraud, waste, or abuse with the producer. Maintain confidentiality of complainant.	
5	Document results of fact finding efforts according to subparagraph 71 C.	
6	Submit AD-2007 and supporting documentation to * * * the State Office POC within 14 calendar days from the date the County Office becomes aware of the suspected fraud, waste, or abuse. Cases of urgency shall be processed expeditiously.	
7	Perform an additional inquiry as requested by the State Office POC or RCO through the State Office POC.	

Continued on the next page

72 County Office Action (Continued)

B**County Office
Action Relating
to the RCO Spot
Check List**

This table briefly summarizes steps for County Offices to follow when performing reviews for those producers selected on the RCO spot check list.

Step	Action	
1	Identify selected insureds and crops from the RCO spot check list according to subparagraph 70 C.	
2	Assign tracking number according to Exhibit 6.	
3	Conduct applicable inspections as outlined in subparagraph 71 B. *--Note: If a producer on the RCO spot check list claims the crop is not insured, the County Office shall confirm the crop insurance status with RMA through the State POC.--*	
4	IF the initial review results in...	THEN...
	no finding	continue to conduct inspections throughout the growing season.
	a finding of potential fraud, waste, and abuse	go to step 5.
5	Document results of fact finding efforts according to subparagraph 71 C.	
6	Important: Do not discuss the specifics or details of the finding resulting from the RCO spot check list *--with any persons outside FSA or RMA, unless specifically requested according to subparagraph 75 C.--*	
7	Submit AD-2007 and supporting documentation to RCO through the State Office POC within 5 calendar days from the date the County Office completes the inspection. For those inspections for which there were no findings, submit report according to subparagraph 71 D. Cases of urgency shall be processed expeditiously.	
8	Perform an additional inquiry as requested by the State Office POC or RCO through the State Office POC.	

C**Record Keeping**

County Offices shall:

- C assign an FSA tracking number for each review according to subparagraph A
- C prepare a file folder for each review for which a tracking number has been assigned
- C include a copy of all documentation and findings in the file folder, including, but not limited to, documentation items listed in subparagraph B
- C log the review on AD-2007A (Exhibit 10).

73 State Office Action

A**Processing
Referrals**

Upon receipt of the documentation and AD-2007 from the County Office, the State Office POC shall:

- ℄ log the referral on AD-2007A (Exhibit 10)
 - ℄ ensure that AD-2007 is complete and that all necessary documentation is provided
 - ℄ request additional documentation from the County Office, if applicable
 - ℄ review all facts related to the referral to concur that the referral should be forwarded
 - ℄ for referrals initiated at the County Office level that are determined to be unwarranted, return the referral and notify the County Office that the referral will not be acted upon
 - ℄*--forward all appropriate referrals to RCO or the insurance provider using overnight mail within 7 calendar days after receipt from the County Office
 - ℄ for insurance provider referrals submitted to the State POC according to subparagraph 75 B, the State POC shall immediately forward the referral to the applicable County Office.--*
-

B**Post Referral
Inquiry**

For all types of referrals, if RCO has not provided a written response that describes intended action of RCO within 5 calendar days after receiving a submitted referral, the State Office POC, with SED approval:

- ℄ may determine that FSA will conduct its own inquiry into the alleged fraud, waste, or abuse
- ℄ shall notify RCO of the action that will be taken by FSA
- ℄ may refer the matter to OIG according to 9-AO if, as a result of the inquiry, FSA concludes further investigation is warranted, but RCO declines to proceed with the investigation.

Note: For those referrals with no findings, a response from RCO POC is not required.

74 RMA Action

A

Action

For all types of referrals, upon receipt of AD-2007 and attached documentation from the State Office POC, RCO shall complete this table.

Step	Action	
1	Review referral and determine whether further review is warranted.	
2	Request additional information if necessary.	
3	Within 5 calendar days after receiving the referral, provide a written response that describes the intended action.	
4	IF a review is...	THEN RCO shall...
	not warranted	inform the State Office POC in writing.
	warranted	<p>determine whether RCO conducts the review:</p> <ul style="list-style-type: none"> ℄ if a referral to the insurance provider is warranted ℄ according to standard operating procedure. ℄ RCO shall prepare a transmittal letter to the company including *--AD-2007. Attach the supporting documentation provided by FSA. Redact out the name of the complainant and any information that may be used to identify the complainant before sending AD-2007 to the company.--* ℄ RCO shall evaluate the appropriateness of the actions taken by the insurance provider and determine whether further review is necessary.
5	RCO may refer the case to OIG at any time during the process.	
6	At the conclusion of the review process, RCO shall provide a written summary of the review results to the State Office POC.	

75 Insurance Provider Action

A

--Referrals to Insurance Providers by RCO--

If the review is referred by RCO to the insurance provider, the insurance provider shall:

- C perform a field review of the producer
 - C take the appropriate action
 - C document their actions
 - C provide a report back to RCO on results of review and actions taken.
-

*--B

Referrals to State POC by Insurance Provider

Approved insurance providers may request assistance from the County Office through the State POC in cases where:

- C the insurance provider suspects fraud, waste, or abuse
 - C RMA has failed to timely respond within 90 calendar days from an initial request made by the insurance provider.
-

C

Request for Information

When insurance providers request assistance from FSA, the insurance provider shall request documentation relating to an investigation or referral (AD-2007) using FSA-426. The company representative requesting information shall provide proof that the insured has a policy with the company. Acceptable proof as indicated in 2-CP, paragraph 508 for the current crop year must be provided. AD-2007 shall not be provided to insurance agents. A written statement certifying the producer has a policy with the company is **not** acceptable documentation when requesting a copy of AD-2007.--*

76-80 (Reserved)

Part 5 STC Consultation

120 Overview

A

Background

The consultation process is a means for RMA and FSA to share and exchange FSA and RMA program information and to identify possible program areas of concern or discrepancies before they become effective. This information will include RMA crop program updates for existing programs, new programs, and program expansion. The consultation process will allow FSA the opportunity to review and make recommendations on policies, plans of insurance, and materials related to these policies or plans of insurance, including applicable final planting dates, assigned yields, and transitional yields (T-yields).

121 Responsibilities

A

RMA Responsibilities

RMA shall designate an RO POC and an alternate POC to be responsible for the coordination of STC consultation requests with the FSA State Office POC.

B

RO POC Responsibilities

RO POC shall:

- Ⓒ coordinate scheduling of requests with the State Office POC
 - Ⓒ provide a request of actions to be taken
 - Ⓒ provide State Office POC information for review in conjunction with the request for feedback
 - Ⓒ upon receipt of an STC recommendation, provide a response of actions taken
 - Ⓒ assign a tracking number to the consultation request and log request on AD-2006A (Exhibit 15) if initiated by RMA.
-

Continued on the next page

121 Responsibilities (Continued)

C
STC
Responsibilities

STC shall:

- Ⓒ if applicable, consult COC for input regarding requests for review of crop insurance program information
 - Ⓒ*--not provide any data received from RMA to the private industry when requesting input--*
 - Ⓒ review compiled data gathered by the State Office POC
 - Ⓒ make recommendations to consultation requests submitted by RO POC
 - Ⓒ when aware of program vulnerabilities in their State, STC must notify the State Office POC to initiate recommendation process
 - Ⓒ identify, review, and recommend appropriate action to RO POC to change existing/proposed RMA T-yields, dates, practices, etc.
-

D
State Office POC
Responsibilities

The State Office POC shall:

- Ⓒ maintain communications with RO POC
 - Ⓒ coordinate scheduling of requests with RO POC
 - Ⓒ conduct a cursory review of the request provided by RO POC
 - Ⓒ complete fact finding
- *--Note:** The information provided by RMA is USDA internal use information. Do not provide any data received from RO POC to the public.--*
-

Continued on the next page

121 Responsibilities (Continued)

D

State Office POC Responsibilities (Continued)

☐ provide STC and RO POC with supporting documentation including any written justification as appropriate to address identified concerns

☐ present the request and findings of fact to STC

☐ document and forward STC recommendations to RO POC

Note: RO's addresses and States served are located in Exhibit 16.

☐ provide RO POC with STC written responses citing no concerns identified when appropriate

☐ assign a tracking number to the recommendation and log request on AD-2006A if initiated by STC or County Office.

E

COC Responsibilities

COC's shall:

☐ review documents submitted by the State Office POC and provide recommendations on AD-2006

Note: See Exhibit 17.

☐ respond to requests for input according to the State Office POC schedule

☐*--not provide any data received from the State Office POC to the public when requesting input

Note: This information is USDA internal use information.--*

☐ identify and initiate recommendations if problems or concerns are identified with the crop insurance program

☐ when aware of program vulnerabilities in their county, COC must notify the State Office POC.

Section 1 RO Requests to FSA**122 Overview**

A**Background**

This section describes the process for which RO will request STC to review and evaluate RMA MPCl program information. This process also provides a mechanism for RO to share and exchange crop program information with STC.

123 Types of Consultation Requests

A**RMA
Consultation
Requests**

The type of requests submitted by RO to STC include but are not limited to the following:

 C program dates

Examples: Sales closing date, final planting date, initial planting date, etc.

 C RMA T-yields

 C statements (special provisions, MPCl crop policies, etc.)

 C existing crop program expansion

 C existing crop program deletion

 C farming practices and crop types/varieties

 C high-risk/unrated land.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports None

Forms This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026A	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		82, 83, Ex. 6
AD-2006	State and County Consultation Request	Ex. 17	121, 124, 132
AD-2006A	Consultation Request Log for AD-2006	Ex. 15	121
AD-2007	FSA/RMA Compliance Referral Form	Ex. 6	6, 21, 23, 70-75, Ex. 10
AD-2007A	FCIC Program Integrity Log for AD-2007	Ex. 10	73
CCC-502	Farm Operating Plan for Payment Eligibility Review		82, 83
CCC-666	Farm Stored Loan Quantity Certification		83
CCC-677	Farm Storage Note and Security Agreement		83
CCC-678	Warehouse Storage Note and Security Agreement		83
CCC-709	Direct Loan Deficiency Payment Agreement		83
CCC-Cotton A	Cotton Producer's Note and Security Agreement		83
CCC-Cotton AA	Upland Cotton Producer's Loan Deficiency Payment Application and Certification		83
FSA-425	Burley Tobacco and Peanut Information		82, 83
FSA-426	MPCI/FCIC Information Request Worksheet		75
FSA-426-A	MPCI/FCIC Information Request	83	82
FSA-578	Report of Acreage		71, 82, 83, Ex. 6

Continued on the next page

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

**Abbreviations
Not Listed in
1-CM** The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ALG	Appeals and Litigation Group	8
MPCI	Multiple Peril Crop Insurance	122, 123, 130, 131, Ex. 6
POC	point of contact	Text, Ex. 6, 17

**Redelegations
of Authority** None

Example Letter to Notify Producer of Spot Check

Terrance Hill

Date:

1400 Cloverleaf Road
Lucky, TX 12345

Dear Producer,

In June 2000, Congress passed the Agricultural Risk Protection Act. It requires the Risk Management Agency (RMA) with the assistance of the Farm Service Agency (FSA) to improve program compliance and integrity of the Federal crop insurance program. RMA has also been given the authority to request assistance from FSA in conducting reviews of insured crops during the growing season.

One of your policy crops has been chosen for a spot check. RMA has requested FSA to perform a minimum of two-documented field inspections; one within 30 calendar days of the final planting date and one before harvest becomes general in the area for those producers on the list. These inspections will be documented. This documented information will be reported to the appropriate RMA Regional Compliance Office and made available at the FSA County Office for your insurance company's use if loss adjustment activities occur.

A policy crop that has been chosen does not mean that it is a crop insurance compliance issue.

Sincerely,

Doug Johnson
County Executive Director

List of RCO's and States Served

The following is a list of RCO's and the States they serve.

Mailing Address of RCO's	States Served
--Southern Regional Compliance Office-- 1111 W. Mockingbird Lane Suite 280 Dallas, TX 75247 214-767-7700 (7:30 - 4:30 C) FAX: 214-767-7721	Arkansas New Mexico Kentucky Oklahoma Louisiana Tennessee Mississippi Texas
--Eastern Regional Compliance Office-- 4407 Bland Road Suite 280 Raleigh, NC 27609 919-875-4930 (7:00 - 4:30 E) FAX: 919-875-4928	Alabama New York Connecticut North Carolina Delaware Pennsylvania Florida Puerto Rico Georgia Rhode Island Maine South Carolina Maryland Vermont Massachusetts Virginia New Hampshire West Virginia New Jersey
--Western Regional Compliance Office-- 430 G Street Suite 4167 Davis, CA 95616-4167 530-792-5850 (7:00 - 4:00 P) FAX: 530-792-5865	Alaska Nevada Arizona Oregon California Utah Hawaii Washington Idaho
--Northern Regional Compliance Office-- 3440 Federal Drive Suite 200 Eagan, MN 55122-1301 612-725-3730 (7:00 - 4:30 C) FAX: 612-725-3735	Iowa South Dakota Minnesota Wisconsin Montana Wyoming North Dakota
--Central Regional Compliance Office-- 6501 Beacon Drive Kansas City, MO 64133 816-926-7963 (7:30 - 4:00 C) FAX: 816-926-5186	Colorado Kansas Missouri Nebraska
--Mid-Western Regional Compliance Office-- Corporate Center North 6905 Corporate Circle Indianapolis, IN 46278 317-290-3050 (7:30 - 4:00 E) FAX: 317-290-3065	Illinois Indiana Michigan Ohio